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By: Delegates Love, Harrison, Kirk, Krebs, Krysiak, and Miller

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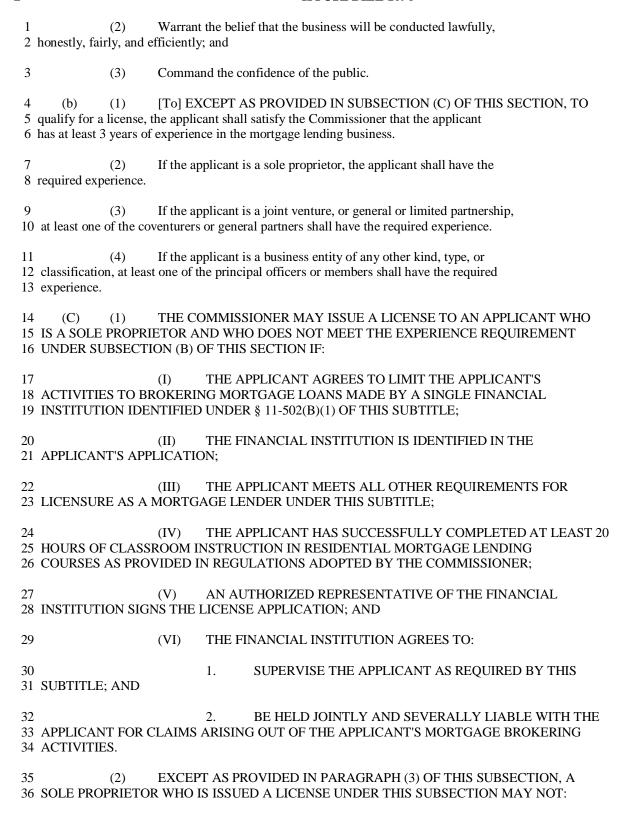
Assigned to: Economic Matters

## A BILL ENTITLED

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- $3\,$  FOR the purpose of authorizing the Commissioner of Financial Regulation to issue a
- 4 mortgage lender license to an applicant who is a sole proprietor and who does
- 5 not meet a certain experience requirement under certain circumstances;
- 6 specifying the conditions under which a sole proprietor may be licensed under
- 7 this Act; prohibiting a sole proprietor who is licensed under this Act from aiding
- 8 or assisting a borrower to obtain a loan from a financial institution other than
- 9 the financial institution identified in the license application; prohibiting a sole
- 10 proprietor who is licensed under this Act from being compensated for mortgage
- brokerage activities on a certain basis; prohibiting a sole proprietor who is
- licensed under this Act from handling borrower or other third party funds in
- connection with the brokering or closing of a mortgage loan with a certain
- exception; prohibiting a sole proprietor who is licensed under this Act from
- making mortgage loans; and generally relating to the qualifications for licensure
- of sole proprietors as mortgage lenders.
- 17 BY repealing and reenacting, with amendments,
- 18 Article Financial Institutions
- 19 Section 11-506
- 20 Annotated Code of Maryland
- 21 (2003 Replacement Volume)
- 22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 23 MARYLAND, That the Laws of Maryland read as follows:
- 24 Article Financial Institutions
- 25 11-506.
- 26 (a) To qualify for a license, an applicant shall satisfy the Commissioner that
- 27 the applicant is of good moral character and has sufficient financial responsibility,
- 28 business experience, and general fitness to:
- 29 (1) Engage in business as a mortgage lender;

## **HOUSE BILL 1096**



## HOUSE BILL 1096

	FINANCIAL INSTIT THE APPLICATION		OTHER 7	ASSIST A BORROWER TO OBTAIN A LOAN FROM A THAN THE FINANCIAL INSTITUTION IDENTIFIED IN NSE;		
	A BASIS THAT DEF		N THE I	MPENSATED FOR MORTGAGE BROKERAGE ACTIVITIES ON LOAN AMOUNT, INTEREST RATE, FEES, OR OTHER		
7 8	CONNECTION WIT	(III) H THE E		LE BORROWER OR OTHER THIRD PARTY FUNDS IN ING OR CLOSING OF MORTGAGE LOANS; OR		
9		(IV)	MAKE	MORTGAGE LOANS.		
10 11	(-)			IETOR WHO IS ISSUED A LICENSED UNDER THIS CHECK TO A FINANCIAL INSTITUTION IF:		
12 13	INSTITUTION FRO	(I) M A BO		IECK IS MADE PAYABLE TO THE FINANCIAL R; AND		
14 15	MORTGAGE LOAN	(II) TO CO		HECK IS IN CONNECTION WITH AN APPLICATION FOR A STS FOR:		
16			1.	AN APPRAISAL;		
17			2.	A CREDIT REPORT; OR		
18			3.	PROCESSING AN APPLICATION.		
	19 [(c)] (D) The Commissioner may deny an application for a license to any 20 person who has been officially reprimanded or has committed any act that would be a 21 ground for suspension or revocation of a license under this subtitle.					
22 23	SECTION 2. AN October 1, 2004.	D BE IT	FURTHI	ER ENACTED, That this Act shall take effect		